



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

paper, cover about 80 pages of the book and are the most distinctive and useful part of it. From data furnished by the report of the National Monetary Commission, a brief comparative study of the forms of commercial paper and practices in its use in different countries is made and the defects of our own system are pointed out. Rather minute rules are laid down for the guidance of purchasers of commercial paper, and for the protection of investments of this character.

The last part of the book hardly fulfills the expectation raised by the first part. The chapter on banking, comprising about a fifth of the book, is a mere disjointed series of fragmentary sketches of the development of banking and banking institutions at different times and places and adds practically nothing to the value of the work as a study of commercial paper. In the opinion of the authors the first need of reform in our financial system is the creation of a central discount market for commercial paper. Banks often find themselves under the necessity of reselling commercial paper in order to secure the safest and most economical management of their resources. After reviewing the workings of foreign discount systems with approval the authors believe that a satisfactory discount market in this country may best be attained through the creation of a central banking reserve by some organization which shall bind the banks together in their reserve management. As a means of attaining this end they endorse the Aldrich Central Reserve Association scheme of banking reform, but without much consideration of the many vital questions concerning bank policy and management which the introduction of this plan will raise. The last chapter is simply an attempt to apply the method of the Babson Statistical Service in the forecasting of discount rates.

The book is well gotten up and attractive, but lacks an index, which is a serious defect in a practical handbook. The topical table of contents at the end of the book does not take the place of an alphabetical index.

DAVID KINLEY.

University of Illinois.

An Introduction to the Study of Prices. By WALTER T. LAYTON.
(New York: The Macmillan Company. 1912. Pp. xi, 155.
\$.90.)

This little book is written around a "Chart of Average Whole-

sale Prices and World's Gold Production since 1800." The index number is a composite of Sauerbeck's figures for 1860-1910, and Jevons' figures for 1800-1859. The former are shifted from their original basis of 1867-77 to the new basis of prices in the single year 1900. This procedure raises Sauerbeck's figure for 1860 to 132. Jevons' series is then fitted on by making his index of 79 in 1860 equal to 132, and raising his figures for earlier years in the like proportion. Both of these shifts are made by the simple but not rigorously accurate method of division. Mr. Layton is not troubled by the fact that he has joined together an arithmetic and a geometric mean, because he finds that in the years covered by both Jevons and Sauerbeck the two index numbers agree precisely in the direction and approximately in the degree of their fluctuations.

The discussion of this chart presents few points of novelty. Most stress is laid upon the effect of changes in the production of gold upon prices, and the effect of changes in prices upon the economic welfare of wage-earners. Real wages, it is found, "tend to rise more slowly than they otherwise would in times of rising prices, but in times of falling prices they increase more rapidly than if prices had remained unchanged" (p 103). With this statement is coupled the conclusion that "on the whole the social well-being is best advanced when prices are stationary or slightly declining" (p. 106). Of such remedies for price fluctuations as those suggested by Jevons and Fisher, Mr. Layton hardly knows what to say, except that both are attended by serious difficulties.

That a fellow of Gonville and Caius College, Cambridge, should write a style stiff with academic starch is not unexpected; but that he should be guilty of frequent lapses from good usage is a disagreeable surprise. Phrases like the following are common: "in spite of sometimes very violent fluctuations" (p. 22); "those who had goods to sell but were unable to do so" (p. 29); "while the sequence of purchases described above have been taking place" (p. 35). Such raggedness of detail detracts not a little from the effect of Mr. Layton's exposition.

WESLEY C. MITCHELL.

University of California.

Chile 1851-1910: Sixty Years of Monetary and Financial Questions and of Banking Problems. By AUGUSTIN ROSS. (Valparaiso: 1910. Pp. 238, iv. \$1.00.)